



No. 11

January 17, 2003

H.J. Res. 2 – Omnibus Appropriations Bill, FY 2003: Energy and Water Development Appropriations

Calendar No. 1

H.J. Res. 2 was passed by the House on January 8, 2003, and is now the pending business before the Senate. This bill is serving as the vehicle for all 11 of the yet-unsigned FY03 appropriations bills.

NOTEWORTHY

Note: The funding bills are before the Senate with no written reports. All information contained in this Notice comes from the Appropriations Committee as conveyed to us on or before 1/17/03.

- The Energy and Water Development funding bill language was offered as a substitute (along with the other 10 yet-to-be-signed FY03 funding bills) to H.J. Res. 2. The bill is amendable.
- The 11 remaining FY03 appropriations bills (only Defense and Military Construction were signed) will come before the Senate with smaller funding levels than were in the bills as reported by the Appropriations Committee last year. This is to comport the total FY03 federal discretionary spending level to \$750.5 billion, the level agreed to by President Bush and Congressional appropriators last year. (The Defense and Mil Con bills amount to \$365.3 billion of that total.)
- The bill provides \$26.16 billion in appropriations for FY03, an amount which is \$649 million above the budget request and \$900 million above the enacted appropriation for FY02. \$20.9 billion is for the Department of Energy which is \$31 million more than the budget request and \$41 million above the FY02 amount.
- The bill provides \$5.37 billion to the Department of Energy for Defense Environmental Restoration and Waste Management, \$172 million more than the FY02 amount and \$862.4 million more than the budget request.
- The bill provides \$6.1 billion in FY03 funding for the National Nuclear Security Administration weapons activities, which is \$242 million more than the budget request and \$543 million over the FY02 amount.

HIGHLIGHTS

- The bill provides for \$56 million for civilian nuclear waste disposal for FY03 and \$280 million for Defense nuclear waste disposal
- The bill provides \$448 million for renewable energy resources, \$41 million more than the budget request and \$52 million more than the FY02 amount.
- The bill provides \$4.55 billion for the Corps of Engineers, an amount which is \$375 million above the budget request and \$61 million more than the FY02 amount. The bill does not allow any new discretionary study or construction starts in FY03.
- The House Appropriations Committee reported its Energy and Water funding bill by voice vote on September 5, 2002. The Senate Appropriations Committee reported its Energy and Water funding bill on July 24, 2002.

Title I, Department of Defense: Corps of Engineers — Civil

- The Committee continues the basic mission and activities of the Corps of Engineers and appropriates \$4.55 billion (\$61 million more than FY02). The Committee exceeds the Administration's FY03 budget proposal by \$375 million. The Committee recommends appropriations including \$148.3 million for general investigations; \$1.64 billion for construction of water resource projects; \$346.4 million for Mississippi River and tributaries flood control; \$20.2 million for Flood Control and Coastal Emergencies; and \$1.96 billion for operation and maintenance activities of the Corps, \$81.4 million more than the FY02 appropriation and \$42.4 million more than the budget request.

Title II, Department of the Interior (Water Resources Development)

- The Committee appropriates \$956 million for FY03 for the Department of the Interior for water resources development programs. This amount is \$75 million above the budget request and \$41 million more than the amount for FY02.
- Of the total amount provided in Title II, the bulk of it, \$919.9 million, is for the **Bureau of Reclamation**. This includes the following funding items: \$816.1 million for the Bureau of Reclamation's Water and Related Resources projects, \$90 million more than the Administration's request; \$48.9 million for the California Central Valley Project Restoration Fund, the same as the budget request and \$6.1 million less than the FY02 amount; and \$54.9 million for Policy and Administrative Expenses, the same as the budget request and \$1.9 million over the FY02 amount.

Title III, Department of Energy

- **Total Funding:** In Title III of the bill, the Committee provides \$20.93 billion for the various functions of the Department of Energy, which include general administrative expenses, nuclear weapons and environmental restoration programs, nuclear research activities, and the power marketing agencies; this amounts to \$960 million more than FY02, and \$31 million more than the President's request.
- **Atomic Energy Defense Activities:** The Committee recommends \$15.78 billion for this category, \$868 million more than the FY02 amount and \$374.4 million more than the budget request. The Committee recommends \$6.11 billion for the NNSA (\$242 million more than the budget request and \$543 million more than FY02). The bill also provides \$1.12 billion for defense nuclear nonproliferation; \$706.8 million for naval reactors; and \$335.9 million is for the office of the administrator, which is \$23.3 million more than the FY02 amount. The Committee includes under Atomic Energy Defense Activities several other separate accounts: defense environmental restoration and waste management (\$5.4 billion); defense facilities closure projects (\$1.13 billion); defense environmental management privatization (\$158.4 million); other defense activities (\$537.7 million); and defense nuclear waste disposal (\$280 million).
- **Energy Supply Programs:** The bill provides \$815.3 million for these programs, which include solar and renewable energy, nuclear energy, non-defense environmental management, safety and health, magnetic fusion energy, research, and other energy support activities. This amount is \$148.6 million more than FY02 and \$121.4 million more than the Administration's request. The Committee recommends \$448 million for solar and renewable energy, which is \$52 million more than the current year and \$41 million more than the budget request; \$324 million for nuclear energy, which is \$48 million more than the FY02 amount and \$75 million above the President's request.
- **Non-Defense Environmental Management:** The Committee provides \$130 million for these programs, which is \$96.4 million less than the FY02 amount and \$36 million less than the budget request.
- **Uranium Facilities Maintenance and Remediation:** The Committee recommends \$471.2 million for FY03 — \$ 52.7 million more than FY02 and \$89 million more than the request.
- **Nuclear Waste Disposal Fund:** The Committee recommends \$56 million for civilian nuclear waste disposal for FY03, all derived from the nuclear waste fund. The amount is \$153.7 million below the budget request and \$39 million below the amount appropriated for FY02. For Defense nuclear waste disposal, the Committee makes available \$280 million from the "Defense nuclear waste disposal" account. The amount for defense is the same as the FY02 appropriation and a reduction of \$35 million from the budget request. The "Defense nuclear waste disposal" fund was established to ensure payment of the government's contribution to the nuclear waste repository program.
- **Science:** The Committee recommends \$3.33 billion for FY03 — \$96.4 million more than FY02 and \$50 million more than the Administration's budget request.

— **High Energy Physics:** The Committee recommends \$730 million, which is \$5 million more than the Administration's request and \$13.9 million more than FY02.

— **Nuclear Physics:** The Committee recommends \$387.4 million, which is \$5 million more than the budget request and \$26.8 million more than FY01.

— **Biological and Environmental Research:** The Committee provides \$531.2 million for FY03, which is \$ 3.8 million more than FY02 and \$27 million more than the budget request.

— **Basic Energy Sciences:** The Committee recommends \$1.04 billion for FY03, \$25 million more than the budget request and \$40.9 million more than FY02.

- **Federal Energy Regulatory Commission:** The Committee appropriates \$192 million — the same as the budget request and \$7.8 million more than FY02. (Revenues are established at a rate equal to the amount provided for program activities resulting in a net appropriation of zero.)
- **Power Marketing Administrations:** The Committee recommends \$203.5 million, which is \$6.1 million more than the budget request. (See the attached chart for Power Administration funding.)

Title IV, Independent Agencies

- **Appalachian Regional Commission:** The Committee recommends \$74.4 million for FY03, \$8.1 million more than the budget request and \$3.1 million more than the amount appropriated for FY02.
- **Nuclear Regulatory Commission (NRC):** The Committee recommends a gross appropriation of \$578.2 million for FY03 for salaries and expenses (plus \$6.8 million for the Office of the Inspector General) — \$62 million more than the FY02 appropriation and the same as the budget request. S. 2784 also requires the NRC, pursuant to an agreement reached in FY 2001, to recover 94 percent of its budget authority, less the appropriation from the nuclear waste fund, by assessing license and annual fees.

ADMINISTRATION POSITION

The Office of Management and Budget issued a Statement of Administration Policy (SAP) on January 17, 2003. The SAP did not address Energy and Water provisions.

POSSIBLE AMENDMENTS

Amendments are anticipated.

Staff contact: John Peschke, 224-2946; Attachment: chart

Energy and Water Development Appropriations, FY 2003

(reported amounts of selected programs only)
(dollars in thousands)

<u>Corps of Engineers</u>	<u>\$ 4,550,000</u>
General Investigations	\$ 148,304
Construction	\$ 1,636,602
Op & Maintenance	\$ 1,956,182

<u>Bureau of Reclamation</u>	<u>\$ 919,921</u>
Water and related resources	\$ 816,147

<u>Department of Energy</u>	<u>\$ 20,961,784</u>
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Non-Defense

Energy supply	\$ 815,306
Environmental Management	\$ 130,000
Uranium Facilities Maintenance and Remediation	\$ 471,154
Nuclear Waste Disposal Fund	\$ 56,000
Science	<u>\$ 3,329,456</u>
High Energy Physics	\$ 729,980
Nuclear Physics	\$ 387,370
Biologic & Enviro Research	\$ 531,215
Basic Energy Sciences	\$ 1,044,600
Construction	\$ 257,071

Defense

National Nuclear Security Administration	\$ 6,100,000
Environmental Restoration and Waste Management	\$ 5,370,000
Other Defense Activities	\$ 537,664
Nuclear Waste Disposal	\$ 280,000
Fed. Energy Regulatory Comm.	\$ 192,000
Power Marketing Administrations	<u>\$ 203,504</u>
Southeastern Power Admin	\$ 4,534
Southwestern Power Admin	\$ 27,378
Western Area Power Admin	\$ 168,858

<u>Nuclear Regulatory Commission</u>	\$ 578,185
	(-\$520,087 in revenues)

BILL TOTAL:	\$ 26,164,000
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